

**TOP SECRET**  
**SECURITY INFORMATION**

25X1

NSC REVIEW  
COMPLETED,  
8/19/2003

# NATIONAL SECURITY COUNCIL

## STATUS OF PROJECTS

as of

October 29, 1951

**TOP SECRET**

**WARNING**

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, U. S. C., SECTION 793 AND 794, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

Approved For Release 2003/09/29 : CIA-RDP80R01731R003700040005-7

October 29, 1951

TOP SECRET

NATIONAL SECURITY COUNCIL

STATUS OF PROJECTS

-----  
1. COMPLETED PROJECTS  
(October 22, 1951 - October 29, 1951)

THE SITUATION IN THE FAR EAST  
(NSC Action No. 577)

NSC 112 THE POSITION OF THE UNITED STATES DELEGATION AT  
THE 6TH GENERAL ASSEMBLY of the United Nations  
(NSC Action No. 578)

2. PROJECTS UNDER CONSIDERATION BY THE NSC

A. NSC MEETING

At the direction of the President, in the absence of any items requiring immediate action by the National Security Council, the regular Council meeting scheduled for October 31 has been canceled.

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

B. ITEMS UNDER CONSIDERATION BY MEMORANDUM ACTION

REPORT BY THE NATIONAL SECURITY COUNCIL REGARDING A REVIEW OF ITS DETERMINATIONS UNDER SECTION 1302 OF THE THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951

(Memo for NSC from Executive Secretary, same subject, dated October 23, 1951)

A draft report on the subject, prepared by the Special Committee on East-West Trade in accordance with the provisions of Section 1302, Third Supplemental Appropriation Act, 1951, was submitted for Council consideration by the reference memorandum. The Secretary of Commerce, the Acting Economic Cooperation Administrator and the Chairman, Export-Import Bank, are participating in this Council action. It was recommended that, if the Council approves the draft report, the Council direct its declassification and transmittal to the Committees of Congress named in Section 1302. Approved by Export-Import Bank September 24; by Commerce, September 25; by ODM, October 26; by NSRB, October 29. Awaiting action by others concerned. (See also related projects in Section 3-A and 3-C.)

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

C. ITEMS AWAITING SUBSEQUENT NSC CONSIDERATION

CONGRESSIONAL PUBLICATION OF INFORMATION OF ADVANTAGE TO  
FOREIGN GOVERNMENTS

(Memos for NSC from Executive Secretary, same subject, dated May 16, and June 15, 1951; NSC Action No. 478)

Memorandum on the subject by the NSC Representative on internal security, transmitted by the reference memo of May 16, was discussed at the 92nd NSC Meeting. The Council directed the Senior NSC Staff, by the reference action, with the assistance of the Interdepartmental Committee on Internal Security (ICIS), to prepare recommendations on the subject for Council consideration in the light of the discussion.

Recommendations by the Senior NSC Staff, prepared with the assistance of representatives of the White House Staff and ICIS, were submitted by the reference memo of June 15 for consideration by the Council, the Secretary of the Treasury, the Attorney General and the Director of Defense Mobilization. On July 5 the Senior NSC Staff agreed that Council consideration of this memorandum should be deferred. Awaiting further consideration by the Senior NSC Staff.

UNITED STATES OBJECTIVES, POLICIES AND COURSES OF ACTION IN  
ASIA

(NSC Action No. 420-d)

Upon consideration of NSC 101/1, on "U. S. Action to Counter Chinese Communist Aggression", the Council requested the Department of State to prepare a study of the effect upon China and other Eastern countries of continued U. S. support of Chiang Kai-shek. (NSC Action No. 420-d.) On July 10, and again on September 27 the Senior NSC Staff agreed to recommend to the Council for its consideration cancellation of this study. (See related projects on "U. S. Courses of Action in Korea", Section 3A.) Awaiting Council action on the above recommendation by the Senior NSC Staff.

THE ANGLO-IRANIAN PROBLEM

(NSC 117; NSC 107/2; NSC 97)

Memo from the Joint Chiefs of Staff on the subject submitted to the Council at the request of the Secretary of Defense as NSC 117, will be scheduled on the agenda of an early Council meeting. (See also related "Eastern Mediterranean" project in Section 3-A.)

NSC STATUS OF PROJECTS

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

U. S. POLICIES AND PROGRAMS IN THE ECONOMIC FIELD WHICH MAY AFFECT THE WAR POTENTIAL OF THE SOVIET BLOC

(Progress Report, dated September 21, 1951, by the Acting Secretary of State on NSC 104/2)

The reference Progress Report by the Acting Secretary of State on the subject has been circulated for the information of the Council and will be scheduled on the agenda of an early Council meeting. (See also related projects in Sections 2-B and 3-A and -C.)

UNITED STATES CIVIL AVIATION POLICY TOWARD U.S.S.R. AND ITS SATELLITES

(Progress Report, dated September 24, 1951 by the Under Secretary of State on NSC 15/3)

The reference Progress Report by the Under Secretary of State on the subject is being circulated for the information of the Council and will be scheduled on the agenda of an early Council meeting.

NSC 86/1

(Progress Report, dated September 20, 1951, by the Acting Director of Central Intelligence on NSC 86/1)

The reference Progress Report by the Acting Director of Central Intelligence on the subject was circulated for the information of the Council, and will be scheduled on the agenda of an early Council meeting.

### 3. CURRENT NSC STAFF PROJECTS

#### A. SENIOR NSC STAFF

DISSOLUTION OF THE SPECIAL COMMITTEE ON EAST-WEST TRADE  
(Memo for Senior NSC Staff from Executive Secretary, same subject, dated October 23, 1951)

A memorandum on the subject, prepared by the office of the Executive Secretary, was transmitted to the Senior NSC Staff for consideration by the reference memorandum at the request of the Special Committee on East-West Trade. Scheduled for consideration as the first item on the agenda of the Senior NSC Staff meeting on Tuesday, October 30, with participation of senior representatives of the Department of Commerce, the Economic Cooperation Administration and the Export-Import Bank. (See related projects in Section 2-B and 3-C.)

EFFECTIVE UTILIZATION OF CIVILIAN MANPOWER OF NON-SOVIET NATIONS FOR WORK OF VALUE TO THE MOBILIZATION PROGRAM  
(Memos for Senior NSC Staff from Executive Secretary, subject, "Proposed NSC Study of Use of Foreign Manpower for Production", dated March 29 and April 16, 1951; Memo for Senior NSC Staff from Executive Secretary, same subject, dated October 17, 1951)

Memos by the Acting Senior NSRB Member and by the Senior ODM Member transmitted by the reference memos of March 29 and April 16, respectively, were considered by the Senior Staff on April 17. It was agreed that ODM should undertake the preparation of a report on the subject for consideration by the NSC Staff along the lines proposed by ODM in the report attached to the reference memo of April 19. The Staff further agreed to the inclusion of NSRB and Mr. Harriman's Office among the agencies to be consulted by ODM.

Draft statement of policy prepared by an inter-agency group under the chairmanship of ODM and including representatives of the Departments of State, Defense and Labor, ECA, NSRB and Mr. Harriman's Office was transmitted to the Senior Staff for consideration by the reference memo of October 17 together with a memo from the Senior ODM Member and the comments of the inter-agency group in explanation of the proposed statement of policy. Scheduled for consideration as the second item at a meeting of the Senior Staff augmented by representatives of the Departments of Justice and Labor and of ECA on Tuesday, October 30.



CURRENT NSC STAFF PROJECTS (Cont'd)

UNITED STATES COURSES OF ACTION IN KOREA     URGENT PROJECT  
(Memo for NSC from Acting Executive Secretary, same subject, dated September 5, 1951; Memo for Senior NSC Staff, from Executive Secretary, same subject, dated October 24, 1951; NSC 48/5; NSC Action No. 562)

The Council, at its meeting on September 24, considered the recommendation by the Joint Chiefs of Staff submitted by the Secretary of Defense in the enclosure to the reference memorandum on the subject and noted the request of the Chairman, Joint Chiefs of Staff, that in view of the changed situation the Council suspend action on the recommendation, pending its reconsideration by the Joint Chiefs of Staff after consultation with General Ridgeway. The Council also directed the Senior NSC Staff to review the reference recommendation in the light of this reconsideration by the Joint Chiefs of Staff and to explore as a matter of urgency other practicable courses of action designed to achieve a settlement in Korea acceptable to the United States. (NSC Action No. 562.)

The Senior Staff, at its meeting on September 27, discussed the subject in the light of the above Council action and agreed that: (1) State and Defense, with the assistance of other interested agencies, would prepare for Council consideration a draft report on United States courses of action in Korea in the event either of a continued stalemate or of a formal breakdown of the Kaesong negotiations; (2) The Psychological Strategy Board would undertake at once to prepare a preliminary report on the position of the United States with respect to repatriation and to exchange of prisoners of war; and (3) State and Defense would jointly examine the need for a revision of U. S. policy respecting Southeast Asia, with particular reference to Indo-China, for consideration by the Senior NSC Staff. Memorandum by the Director, Psychological Strategy Board, regarding the preliminary report on the position of the United States with respect to repatriation and to exchange of prisoners of war to be prepared by the Psychological Strategy Board, was transmitted for the information of the Senior Staff by the reference memo of October 24. The memo states that the position of the United States on this question now appears to be in the process of resolution without further action by the PSB.

CURRENT NSC STAFF PROJECTS (Cont'd)UNITED STATES COURSES OF ACTION IN KOREA (Cont'd)

Awaiting results of reconsideration of the reference recommendation by the Joint Chiefs of Staff and preparation of reports by State and Defense as indicated above.

NATIONAL PETROLEUM PROGRAM

(NSC 97; Memos for Senior NSC Staff from Executive Secretary, subject: "World-Wide Demand and Supply of Petroleum in Event of a Major War," dated August 3, and October 8, 1951; Record of Meeting of Senior NSC Staff of August 16, 1951; Memos for Senior NSC Staff, from Executive Secretary, same subject, dated August 20, September 26, October 17 and October 24, 1951)

At the direction of the President, a letter from the Acting Secretary of Defense on the subject (NSC 97) was referred to the Director of Defense Mobilization to develop a national petroleum program leading to the complete supply of allied requirements, for consideration by the NSC. On July 10, the Senior NSC Staff agreed that information being developed in connection with this project which relates to the project on the Eastern Mediterranean and the Middle East (see above) should be available when the Council considers a report on the Eastern Mediterranean and the Middle East.

At the request of the Senior ODM member of the NSC Staff, a report on the subject, "World-Wide Demand and Supply of Petroleum in Event of Major War," prepared by the Petroleum Administrator for Defense was transmitted to the Senior NSC Staff for information by the reference memo of August 3. On August 16 the Senior Staff discussed this report and agreed upon a division of responsibility for studying and reporting on the several issues raised by the report as these issues related to projects under consideration by the Senior Staff. Assignment of responsibilities are set forth in the reference record of the meeting of the Senior Staff. Report on "Forecasting Crude Oil Productive Capacity," dated August, 1951, was transmitted to the Senior Staff for its information at the request of the Senior ODM Member by the reference memo of August 20.

Report by the Senior State representative on the activities of the State Department pursuant to paragraph 1-e-(4) of the reference record of meeting was transmitted by the reference memo of September 26 for the information of the Senior Staff.

CURRENT NSC STAFF PROJECTS (Cont'd)NATIONAL PETROLEUM PROGRAM (Cont'd)

At the request of the Senior ODM Member of the NSC Staff a "Tanker Transportation Supplement" to the report circulated by the reference memo of August 3 was transmitted for the information of the Senior Staff by the reference memo of October 8. Report by ODM on its activities pursuant to paragraph 1-e of the reference record of meeting was transmitted for the information of the Senior Staff by the reference memo of October 17. Report on "Operating Program, Foreign Petroleum Industry, Year 1952," prepared by the Petroleum Administration for Defense was transmitted for the information of the Senior NSC Staff at the request of the Senior ODM Member by the reference memo of October 24.

At its meeting on October 25, the Senior Staff discussed the status of action taken in accordance with the reference Record of Meeting, and agreed that studies and reports by State and CIA on sabotage abroad and reconstruction abroad referred to in subparagraphs e, (2) and (13) of the reference Record of Meeting should be integrated with the assistance of Defense representation. It was also agreed that the staff project on the Eastern Mediterranean and the Middle East should take account of the importance of Middle Eastern oil to the free world, both in war time and peace time. It was further agreed that the ODM (with the assistance of representatives of DPA and PAD), State, Defense and CIA members should prepare a draft interim report for Council consideration, including (1) a statement of progress with respect to actions already initiated or contemplated, and (2) specific recommendations and policy decisions on immediate problems such as the Tidelands matter and the Elk Hills Naval Reserve, along the lines proposed at the meeting.

Awaiting preparation of a draft interim report by the ODM, State, Defense and CIA members.

CURRENT NSC STAFF PROJECTS (Cont'd)

CONDITIONS FOR A PEACEFUL SETTLEMENT WITH THE USSR

/PRIORITY PROJECT/

(Records of Senior NSC Staff Meeting February 23 and May 24; NSC 79; NSC 112; NSC Action No. 511; Memo for NSC from Executive Secretary, subject: "United States and Allied Objectives in the Event of Global War," dated September 6, 1950)

On February 23 the Senior NSC Staff agreed that the NSC 79 project on United States and allied war objectives should be completed in two sections and that the section on the above subject, including a plan for reduction and regulation of armaments and armed forces, should be completed as a matter of priority. On May 24 the Senior Staff agreed that the completion of this project would provide an important background for obtaining popular support for U. S. national security policies.

Report by the Secretaries of State and Defense in connection with the plan referred to above, adopted by the Council (NSC Action No. 511) and approved by the President as NSC 112. On July 10, the Senior NSC Staff noted that NSC 112 was the first step toward completion of this project and that further work would proceed in the light of Council action on NSC 112. Awaiting report by the State, Defense and JCS members. (See also related projects below and in Section 1.)

THE EASTERN MEDITERRANEAN AND MIDDLE EAST

/PRIORITY PROJECT/

(Memo for Senior NSC Staff from Executive Secretary, same subject, dated December 12, 1950; NIE-14 and 26; Memo for Senior NSC Staff from Executive Secretary, subject: "World-Wide Demand and Supply of Petroleum in Event of a Major War," dated August 3, 1951; Records of Senior NSC Staff Meetings, December 29, 1950 and July 10 and August 16, 1951; Memo for Senior NSC Staff from Executive Secretary, subject: "The Position of the United States with Respect to the General Area of the Eastern Mediterranean, Red Sea and Persian Gulf," dated October 5, 1951; NSC 117)

Memo by the Senior State Member on the subject transmitted by the reference memo of December 12 and considered by the Senior Staff on December 29, when it was agreed that an initial draft report should be prepared by State and that CIA should

CURRENT NSC STAFF PROJECTS (Cont'd)THE EASTERN MEDITERRANEAN AND MIDDLE EAST (Cont'd)

furnish an intelligence estimate of local attitudes and conditions which affect protection of our interests and the realization of our objectives. On February 23 the Senior NSC Staff agreed that this project should be completed as a matter of priority. CIA estimate circulated as NIE-26.

On July 10 the Senior Staff agreed that this report should proceed without awaiting completion of the related project on a national petroleum program (NSC 97, see below), but that the report should not be submitted for NSC consideration until the information being developed in connection with the petroleum report could be taken into account. On August 16 the Senior Staff discussed the report prepared by the Petroleum Administrator for Defense and transmitted by the reference memo of August 3, and agreed that this report should be studied further by the Senior Staff before finally completing a report on the Eastern Mediterranean and the Middle East. Draft statement of policy and NSC Staff study, which takes account of the preliminary material on the world oil situation being assembled in connection with the NSC 97 project, prepared by the Department of State and transmitted by the reference memo of October 5 for the consideration of the Senior Staff. State Department amendments to the draft statement of policy were made available to the Senior Staff on October 24.

At its meeting on October 24, the Senior NSC Staff discussed the draft report prepared by State together with NSC 117 (see Section 2-C above) and agreed that it should be referred to the Senior State, Defense, JCS and CIA members for the preparation of a revised draft in the light of the discussion. At its meeting on October 25 the Senior Staff, in connection with a discussion of the project on a national petroleum program, agreed that the revised draft report should take account of the importance of Middle Eastern oil to the free world both in war time and in peace time. Comments and suggestions by the Senior ODM member and a memorandum by the Senior Representative, PSB, both relating to the draft report, were transmitted to Senior State, Defense, JCS and CIA members for use in the preparation of a revised draft report. Awaiting revision of the draft report by the Senior State, Defense, JCS and CIA members of the NSC Staff.

CURRENT NSC STAFF PROJECTS (Cont'd)UNITED STATES AND ALLIED WAR OBJECTIVES IN THE EVENT OF GLOBAL WAR

(NSC 79; Memo for NSC from Executive Secretary, same subject, dated September 6, 1950)

JCS memo (NSC 79) circulated for Council information and referred to the Staff for use in the preparation of a report. The Senior Staff designated an ad hoc group to draft a report to include both a statement of war objectives in the event of global war, and such related questions as a statement of the conditions that the U. S. would be willing to accept for a peaceful settlement with the USSR and its satellites. At the initial meeting of the ad hoc group under the chairmanship of the State member on October 6, the form and content of a response to the problems posed by NSC 79 were discussed and agreed upon.

On February 23 the Senior Staff agreed that this project should be divided as follows: (1) a statement of U. S. and allied war objectives in the event of a global war; and (2) a statement of the conditions the U. S. would be willing to accept for a peaceful settlement with the USSR, including a plan for the reduction and regulation of armaments and armed forces. Awaiting initial draft by the State Policy Planning Staff of the project listed under (1) above. (See also related projects above and below.)

UNITED STATES OBJECTIVES AND PROGRAMS FOR NATIONAL SECURITY  
(NSC 68 Series; NSC 114 Series; NSC Action No. 575)

The Council on October 17, 1951 (NSC Action No. 575-c), directed the Senior NSC Staff to submit for Council consideration at the earliest practicable date a reappraisal of the policies and programs set forth in the NSC 68 and 114 Series, including a revision of Part I of NSC 114/2 and in the light of: (1) Further analysis of Soviet atomic capabilities as indicated by the recent explosion of another atomic bomb in the USSR; and (2) the current evaluation of the net capability of the USSR to injure the continental United States (see Section 4). At its meeting on September 24, the Senior NSC Staff noted the statement by the Executive Secretary that the Senior State member had agreed to prepare a draft of the political and foreign policy considerations to be included in the reappraisal of the NSC 68 and 114 series;

CURRENT NSC STAFF PROJECTS (Cont'd)UNITED STATES OBJECTIVES AND PROGRAMS FOR NATIONAL SECURITY (Cont'd)

and that the Senior Defense, JCS and CIA members would prepare a revision of the portions of Part I of NSC 114/2 relating to military capabilities, in the light of the two factors mentioned above. Awaiting reports by the departments and agencies concerned and reappraisal by the Senior Staff of the policies and programs set forth in the NSC 68 and 114 Series. (See also related projects above and below.)

SECURITY OF STRATEGICALLY IMPORTANT INDUSTRIAL OPERATIONS IN FOREIGN COUNTRIES

(Progress Report, dated July 24, 1951 by the Department of State on NSC 29; NSC Action No. 531)

By NSC Action No. 531 the Council referred the reference Progress Report to the Senior NSC Staff for recommendations regarding the desirability of a revision of the list of operations contained therein and the frequency of future progress reports by the Department of State. On September 27, in connection with a review of the NSC Status of Projects, the Senior Staff agreed that the State Department, with the assistance of a sub-committee composed of representatives from Defense, NSRB, ODM and CIA, would assume responsibility for the preparation of a draft report pursuant to NSC Action No. 531. Memorandum from the office of the Secretary of Defense dated October 2, 1951, which advised that recommendations by the Munitions Board for revision of the list of strategically important industrial operations would be submitted by December 15, 1951, has been transmitted to the Senior State member of the NSC Staff for his information and use in connection with this project. Awaiting report by State.

PROVISION FOR STATE FORCES

(NSC 96/1 and NSC 96; NSC Action No. 409; Memo for Members of Staff group from Executive Secretary, subject: "Provision for State Guard Forces," dated May 7, 1951; Memo for Senior NSC Staff from Executive Secretary, same subject, dated September 19, 1951)

At the request of the Secretary of Defense, NSC 96 on the subject was submitted for Council consideration. At its 77th

CURRENT NSC STAFF PROJECTS (Cont'd)PROVISION FOR STATE FORCES (Cont'd)

meeting, by the reference action, the Council agreed to request the Chairman, NSRB, to develop, in consultation with other interested agencies, a plan for the provision of essential Federal guidance and assistance to the States in organizing reserves to perform State and local security functions when the National Guard is ordered into active military service, this plan to include any necessary Federal legislation.

Report by the Chairman, NSRB, circulated for Council information as NSC 96/1 and referred to the NSC Staff for use in the preparation of a report for Council consideration. On April 12, the Senior Staff discussed NSC 96/1 and referred it to the Defense, JCS and NSRB Staff members together with officials from the Department of Justice, the Bureau of the Budget, and the Federal Civil Defense Administration, for use in the preparation of a report for Senior Staff consideration.

Draft outline, prepared by the Executive Secretary, transmitted to the above staff group by the reference memo, and discussed at a meeting on May 14. With some modifications, the outline was adopted as a working guide and the proposed assignments were accepted. A new draft report, prepared on the basis of material submitted by Defense, Justice and Civil Defense, in accordance with the agreed outline, was transmitted to the Senior Staff by the reference memo of September 19 and will be scheduled for discussion at an early Senior Staff meeting.

PROPOSED TRANSFER OF THE POINT IV PROGRAM FROM THE DEPARTMENT OF STATE TO THE ECONOMIC COOPERATION ADMINISTRATION  
(NSC 110; Memos for Senior NSC Staff from Executive Secretary, same subject, dated June 18 and August 9, 1951)

Memorandum on the subject from the Bureau of the Budget (NSC 110 was referred by the President to the NSC with the request that the Senior NSC Staff prepare a recommendation on the subject for Council consideration as advice to the President. At the direction of the President, the Secretaries of the Interior, Agriculture, and Commerce, the Federal Security Administrator and the Economic Cooperation Administrator will participate in this Council project and have designated



CURRENT NSC STAFF PROJECTS (Cont'd)PROPOSED TRANSFER OF THE POINT IV PROGRAM FROM THE DEPARTMENT OF STATE TO THE ECONOMIC COOPERATION ADMINISTRATION

representatives to join with the Senior NSC Staff for this purpose. The President also expressed the desire that the views of the Rockefeller Committee be obtained in this connection.

By the reference memo of June 18 background material on current State and ECA programs of the Point IV type was circulated for the information of the Senior NSC Staff, augmented as indicated above, together with a copy of the Rockefeller Committee report, dated March, 1951.

On June 28, the Senior NSC Staff together with representatives from Interior, Agriculture, Commerce, FSA, and ECA discussed the reference reports and referred them to the Staff Assistants augmented by representatives of the above-mentioned agencies, to prepare a draft report to the Council for Senior Staff consideration.

Draft report, dated July 18, by Staff Assistants and representatives of the agencies indicated above circulated to the Senior Staff by the reference memo of August 9. Awaiting consideration by the Senior NSC Staff, augmented by representatives from Interior, Agriculture, Commerce, FSA, and ECA.

B. NSC STAFF ASSISTANTSUNITED STATES POLICY WITH RESPECT TO BERLIN AND EASTERN GERMANY

(NSC 89; NSC 73/4, par. 42; Memos for NSC from Executive Secretary, subject: "Additional Airlift to Support the Far East," dated September 27 and November 29, 1950; NSC Action No. 368; Memo for Senior NSC Staff from Executive Secretary, same subject, dated October 31, 1950; Memo for Senior NSC Staff from Executive Secretary, subject: "Courses of Action in the Event East Germany Imposes a Blockade in Berlin", dated February 16, 1951; Memo for Senior NSC Staff from Executive Secretary, subject: "United States Policy With Regard to a Possible New Berlin Blockade," dated March 27, 1951; NIE-4)

At its 69th Meeting, the Council noted the reference memo of September 27, and the fact that the situation presented therein would be taken into consideration in the studies on the Berlin blockade referred to in par. 42 of NSC 73/4. Memoranda on the subject by the Deputy Under Secretary of State and the Secretary of Defense were circulated for Council information as NSC 89, and referred to the NSC Staff for use in connection with this staff project. JCS study on airlift capabilities circulated to Senior Staff by the reference memo of October 31. Subsequent memo by the Deputy Secretary of Defense (reference memo of November 20) circulated for Council information and referred to the Staff for consideration in connection with this project. Views of the JCS on "Courses of Action in the Event East Germany Imposes a Blockade in Berlin" circulated by the reference memo of February 16 to the Senior Staff for consideration in connection with this project upon the recommendation of the Secretary of Defense. NIE-4, issued by CIA, relates to the above subject.

On February 23 the Senior Staff noted that the JCS views would be taken into account in the early completion of a draft report on "U. S. Policy With Respect to Berlin and Eastern Germany," now under preparation in the Department of State in collaboration with the Department of Defense. Report by State circulated by reference memo dated March 27, considered by the Senior Staff on April 3 and referred to the Staff Assistants for revision in the light of the discussion. Awaiting initial draft by ad hoc group of Staff Assistants.

CURRENT NSC STAFF PROJECTS (Cont'd)

POSITION OF THE UNITED STATES WITH RESPECT TO SCANDINAVIA  
(Progress Report dated November 14, 1950 on NSC 28/1 and NSC 32/1; NSC 88; Memo for Senior NSC Staff from Executive Secretary, subject "U.S. Courses of Action in the Event the Soviets Attempt to Close the Baltic", dated March 26, 1951; Record of Senior Staff Meeting on April 3, par. 3; Memo for Senior NSC Staff from Executive Secretary, same subject, dated August 2, 1951)

On December 13 the Senior NSC Staff directed the Staff Assistants to prepare a draft revision of NSC 28/1 for consideration by the Senior Staff.

On October 17, 1950, NSC 88, "U. S. Courses of Action in the Event the Soviets Attempt to Close the Baltic," was circulated for Council information and referred to the NSC Staff for preparation of a report for Council consideration. In view of recommendations made by the Staff Assistants in the reference memo of March 26, the Senior Staff agreed on April 3 that a statement of policy and a staff study on the subject of NSC 88 should be incorporated in the draft report on "The Position of the United States With Respect to Scandinavia," and that completion of this project should be expedited.

At its meeting on August 7 the Senior Staff with Mr. W. Walton Butterworth, United States Ambassador to Sweden, participating, discussed an initial draft report prepared by State and circulated by the reference memo of August 2. The Senior Staff referred the draft report to the Staff Assistants for revision in the light of the Senior Staff discussion and agreed that this revision should be a complete report which, if adopted, could supersede previous reports on the subject and should apply to Finland and the Baltic as well as to Denmark, Norway and Sweden.

Awaiting initial revised draft report by State.

UTILIZATION OF MANPOWER OF OTHER NATIONS FOR MILITARY PURPOSES

(NSC 108 and memo for all holders of NSC 108, dated April 24, 1951; Memo for NSC from Executive Secretary, same subject, dated May 8, 1951; NSC Action No. 472; Memo for Senior NSC Staff from Executive Secretary, subject: "Effective Utilization of Civilian Manpower of Non-Soviet Nations for Work of Value to the Mobilization Program," dated October 17, 1951)

CURRENT NSC STAFF PROJECTS (Cont'd)UTILIZATION OF MANPOWER OF OTHER NATIONS FOR MILITARY PURPOSES (Cont'd)

At the suggestion of the Senior State Member, the Senior NSC Staff on December 12 agreed to designate an ad hoc group under the chairmanship of a JCS official and with officials from State, NSRB, Mr. Harriman's Office, and CIA, to prepare a draft report on the subject.

The report by the ad hoc committee was considered and amended by the NSC Staff for submission to the NSC as NSC 108. JCS views circulated by the reference memo. At its 91st Meeting the NSC referred NSC 108 to the NSC Staff for reconsideration. On May 17 the Senior Staff referred NSC 108 to the Staff Assistants for revision in the light of the discussion.

On June 13 the Staff Assistants agreed that an initial draft on the subject of civilian manpower should be completed with a view to the subsequent preparation of a report combining the civilian and military aspects of the subject for Senior Staff consideration. Initial draft of the report on civilian manpower transmitted to the Senior Staff by the reference memo of October 17. (See project in Section 3-A). Awaiting further action by the Staff Assistants.

EVACUATION OF KEY INDIGENOUS PERSONALITIES FROM DANGER AREAS (Memo for Senior NSC Staff, from Executive Secretary, same subject, dated September 26, 1951; NSC 10/2)

Draft report on the subject prepared by the Central Intelligence Agency, was transmitted to the Senior Staff for consideration by the reference memo as the basis for an NSC report. The Senior Staff at its meeting on September 27, agreed that the Staff Assistants, with the assistance of a representative of the Department of Justice, should review the reference report. Awaiting action by the Staff Assistants augmented by a representative from the Department of Justice.

CURRENT NSC STAFF PROJECTS (Cont'd)C. OTHER CURRENT NSC STAFF PROJECTSANALYSIS OF THE SOVIET BLOC'S TRADE WITH THE FREE WORLD

At its meeting on September 28, the Special Committee on East-West Trade agreed that since the data on the trade of the free world with the Soviet Bloc had been accumulated on a country-by-country basis in the various NSC Determinations under Section 1302, the Committee should devote its attention to assessing the contribution which that trade as a whole makes to the Soviet Bloc. The Special Committee agreed that the Department of Commerce should be urged to push to completion an analysis along these lines. Awaiting report by the Department of Commerce. (See also related projects below and in Sections 2-B and 3-A.)

JAPANESE TRADE WITH MANCHURIA AND COMMUNIST CHINA

(Memo for Special Committee, from Assistant Executive Secretary, same subject, dated September 27, 1951)

Memorandum on the subject prepared by the Office of the Special Assistant to the President (Mr. Harriman) and transmitted by the reference memo, was considered at the meeting of the Special Committee on September 28 and referred to a subcommittee composed of representatives of State, Defense, Commerce and the Office of the Special Assistant to the President for the preparation of a draft report for Council consideration. Awaiting report by the above mentioned subcommittee. (See also related projects above and below and in Sections 2-B and 3-A.)

DECREASING RELIANCE ON TRADE WITH THE SOVIET BLOC

(Memo for Special Committee from Assistant Executive Secretary, subject: "Problems Associated with the Extension of Security Control in Trade with the Soviet Bloc", dated July 3, 1951; Memo for State Member from Assistant Executive Secretary, same subject, dated July 13, 1951; Memo for Special Committee from Deputy Executive Secretary, same subject, dated August 23, 1951; NSC 104/2, paragraphs 21, 22, 23; Progress Report, dated September 21, 1951, by the Acting Secretary of State on "U. S. Policies and Programs in the Economic Field Which May Affect the War Potential of the Soviet Bloc" (NSC 104/2)

Preliminary ECA study on the subject, transmitted by the reference memo of July 3, was discussed by the Special

CURRENT NSC STAFF PROJECTS (Cont'd)

DECREASING RELIANCE ON TRADE WITH THE SOVIET BLOC (Cont'd)

Committee on East-West Trade on July 11, when it was noted that a special interdepartmental group under State leadership would prepare appropriate reports, in accordance with NSC 104/2, on (1) proposals with respect to current individual problems such as Polish coal and UK coarse grain imports; and (2) proposals with respect to the over-all problem of reducing reliance of the free world upon Soviet Bloc trade.

Preliminary draft report, "Coal in East-West Trade," prepared by the ECA member of the special interdepartmental group and a progress report prepared by the State member and transmitted by the reference memo of August 23 were discussed at the meeting of the Special Committee on August 24. Preliminary draft reports, "Lumber in East-West Trade" and "Bread Grains and Coarse Grains in East-West Trade," prepared by the ECA member of the special interdepartmental group were distributed for the information of the Committee at its meetings on August 31 and September 10 respectively. Awaiting reports by State. (See also related projects above and in Sections 2-B and 3-A.)

RELEASE OF INFORMATION REGARDING NEW WEAPONS

(Memo for NSC Consultants and AEC Representative, from Executive Secretary, same subject, dated July 5, 1950)

At the direction of the President, the Council and the Chairman of the Atomic Energy Commission undertook a consideration of the general problem of weapons information, including atomic weapons, in order to make appropriate recommendations to the President on the subject. A draft report, prepared by the Executive Secretary in accordance with the discussion at a meeting on June 22, 1950, has been circulated to the NSC Staff and a representative of the AEC by the reference memo. Awaiting redraft of this report by Defense.

4. OTHER CURRENT COUNCIL PROJECTS

GOVERNMENT EMPLOYEE SECURITY PROGRAM  
(NSC 113)

A letter by the President on the subject was transmitted as NSC 113 for the information of the Council, and referred to the ICIS for preparation of a response for Council consideration, as directed by the President in the fourth paragraph thereof. As further directed by the President, the Chairman, Civil Service Commission, has been requested to participate with the Council, the Secretary of the Treasury, the Attorney General and the Director of Defense Mobilization in this project. Awaiting report by the ICIS.

ELIGIBILITY OF FOREIGN REPRESENTATIVES TO RECEIVE CLASSIFIED INFORMATION

(Memo for NSC from Executive Secretary, same subject, dated June 14, 1951; NSC Action No. 507)

Memorandum by the Chairman, Interdepartmental Committee on Internal Security (ICIS) and attached draft Presidential directive together with a report and proposed regulations on the subject, were transmitted by the reference memo for consideration by the Council, the Secretary of the Treasury, the Attorney General, the Director of Defense Mobilization and the Chairman, Atomic Energy Commission. Approved by ODM, June 19; by Justice, June 21; by State, June 28; by Treasury, June 29; by NSRB, July 2; by AEC, July 9.

The Acting Secretary of Defense on July 2 recommended that the Council defer action on this memorandum until the Standing Group of the NATO has had an opportunity to examine the proposed regulations. On July 11 the NSC agreed that further consideration should be deferred, pending the outcome of the NATO negotiations, as recommended by the Acting Secretary of Defense. Awaiting further action by the Secretary of Defense.

A PROJECT TO PROVIDE A MORE ADEQUATE BASIS FOR PLANNING FOR THE SECURITY OF THE UNITED STATES

(Memos for NSC from Executive Secretary, same subject, dated June 5, July 17 and 30 and August 7, 1951; NSC Action No. 519; NSC Action No. 543)

Memorandum by the Chairman, Interdepartmental Committee on Internal Security, and its attached report by the ICIS on the subject, were transmitted by the reference memo of June 5

OTHER CURRENT COUNCIL PROJECTS (Cont'd)A PROJECT TO PROVIDE A MORE ADEQUATE BASIS FOR PLANNING FOR THE SECURITY OF THE UNITED STATES (Cont'd)

for Council consideration of the "Recommendations" contained in Part VII thereof and of the proposed National Security Council Directive. Prior to Council action, at the direction of the President, the views of the Director of Central Intelligence were requested and transmitted by the reference memo of July 17 for consideration by the Council concurrently with the ICIS report. JCS views submitted by the reference memo of July 30.

At its meeting on August 1, 1951, the Council agreed to the four steps proposed by the JCS in paragraph 3 of the reference memo of July 30, subject to the assignment of paragraph 3-b to the Interdepartmental Intelligence Conference. The Council also agreed that the resulting reports should be integrated into a single report to it under the coordination of the Director of Central Intelligence with the assistance of representatives of the appropriate departments and agencies. The Director of Central Intelligence undertook to prepare a directive along these lines for consideration by the Council.

Draft directive on the subject, prepared by the Director of Central Intelligence was approved by the Council, the Secretary of the Treasury, the Attorney General and the Director of Defense Mobilization (NSC Action No. 543). Awaiting report by the Director of Central Intelligence.

PORT SECURITY

(NSC 78/1 and NSC 78/2; NSC Action No. 428; Memos for NSC from Executive Secretary, same subject, dated January 31 and February 1, 1951)

Report by the Under Secretary of the Treasury and the Acting Secretary of the NAVY, which presents a revision and refinement of NSC 78/1 on the subject, was submitted as NSC 78/2 for the consideration of the Council. At its meeting on September 13 the Senior NSC Staff considered the report and agreed that the Navy and the Coast Guard should, in coordination with other interested departments and agencies, arrange through the Interdepartmental Committee on Internal Security, to prepare a revised report on the subject for submission to the President pursuant to NSC Action No. 428.



OTHER CURRENT COUNCIL PROJECTS (Cont'd)

PORT SECURITY (Cont'd)

The Senior Staff agreed further that, pending submission of the revised report, NSC 78/2 should not be scheduled on the agenda of a Council meeting. Accordingly, Council action on NSC 78/2 is being deferred pending submission to the President of the revised report by the Navy and the Coast Guard.

**TOP SECRET**



25X1

25X1

Approved For Release 2003/09/29 : CIA-RDP80R01731R003700040005-7

Approved For Release 2003/09/29 : CIA-RDP80R01731R003700040005-7